BENJAMIN J. CAYETANO
GOVERNOR

RAYMOND H. SATO
COMPTROLLER

MARY ALICE EVANS
[redacted]
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

December 13, 2000

COMPTROLLER'S MEMORANDUM NO. 2000-24

TO: All Executive Departments

SUBJECT: Procurement of Transportation Services Regulated by the Public Utilities Commission

The purpose of this memorandum is to disseminate information received from the Public Utilities Commission (PUC) relating to licensing requirements of motor carriers providing transportation services regulated by the PUC.

All State agencies requiring transportation services are advised that certain types of transportation services are regulated by the PUC. Prior to purchasing transportation services, contact the PUC at (808) 586-2020 if you are uncertain as to whether a PUC license is required by the motor carrier for the service required. A PUC license may or may not be required. If required, however, only motor carriers with current PUC license are to be selected to perform the work.

Attached is a copy of a letter from the PUC Administrative Director. Please refer to this letter for additional information.

RAYMOND H. SATO
State Comptroller

Attachment

c: Paul Shigenaga, Administrative Director, PUC

BENJAMIN J. CAYETANO
GOVERNOR

DENNIS R. YAMADA
CHAIRMAN

RAE M. LOUI
COMMISSIONER

GREGORY G.Y. PAI, Ph.D.
COMMISSIONER

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE

465 S. KING STREET, #103
HONOLULU, HAWAII 96813

October 26, 2000

Honorable Raymond H. Sato
Comptroller
Department of Accounting & General Services
1151 Punchbowl Street, Room 412
Honolulu, Hawaii 96813

Subject: Illegal Trucking Activities

Dear Mr. Sato:

On September 21, 2000, our enforcement staff and I met with members of Hawaii Transportation Association and Western Motor Tariff Bureau, Inc., which are organizations that represent the majority of motor carriers regulated by the Public Utilities Commission (PUC). Both organizations expressed their concern with the increase in the number of motor carriers who are providing transportation services without a license issued by the PUC.

For your information, the Commission issues licenses in the general commodities, household goods, dump truck, and specific commodities classifications. The distinguishing characteristic of a motor carrier licensed by this Commission is that each vehicle must have the name, logo, or initials of the company and its PUC number prominently displayed on both sides of the vehicle. In addition, each licensed motor carrier must carry adequate insurance coverage, is regularly inspected by the State Department of Transportation's Motor Vehicle Safety Office, and must charge rates that are on file with the PUC.

Beginning with 1999, the PUC increased its enforcement activities. Our enforcement officers are on the road daily at unannounced times conducting surveillance of illegal truckers operating at construction and other sites, including docking areas at the harbors. Citations issued for illegal activities have also increased over the past two years, which require citation hearings to be held every other Wednesday of the month

on Oahu. Section 271-27 (h) of the Hawaii Revised Statutes authorizes the PUC to issue citations amounting to $1,000 for each offense and $500 for each day that the violation continues.

We seek your cooperation in assisting our office by advising your personnel and other state agencies to hire and use PUC licensed truckers for the state's transportation requirements, such as office moves and construction projects. If your staff or other agencies are uncertain as to whether a company is licensed by the PUC, please have them call our office at 586-2020 for verification purposes.

Very truly yours,

Paul Shigenaga
Administrative Director

PS:PN:eh

c: Hawaii Transportation Association
Western Motor Tariff Bureau, Inc.